

ShawPittman LLP

A Limited Liability Partnership Including Professional Corporations

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August 31, 2001

Randall Bennett
Director, Office of Aviation Analysis
U.S. Department of Transportation
Room 6401
400 7th Street, S.W.
Washington, DC 20590

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**Re: Joint Application of Delta, Air France, Alitalia, and CSA;
Docket OST-2001-10429 - 12**

Dear Mr. Bennett:

This letter is in response to the Department's request for an explanation of the redactions made on the alliance agreements submitted by Delta with its confidential material.

All of the redactions fall into the following three categories:

1. Dates/Timeframes – This category would include specific dates or timeframes (days/months/years) for certain actions such as, the term or length of agreements; the expiration date of an agreement; or the number of days/months/years of notice to a party required to terminate an agreement, or timeframe for liquidated damages. For example, see document DL ATI801 000300, page 1, Section 1.A which redacted the amount of time for notice to the other party to terminate the agreement.
2. Financial numbers – This category includes financial items such as prices, number of seats, amounts to be paid, insurance amounts, percentages (voting percentages or cost allocation percentages); numeric or algebraic provisions of formulas for determining amounts to be paid or to determine voting percentages; dollar amounts of liquidated damages; numbers of miles/miles per segment in frequent flier program agreements. For example: see document DL ATI801 000028 which redacted the dollar amount of

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liquidated damages and document DL ATI801 000049, which redacted voting percentages and cost allocation percentages.

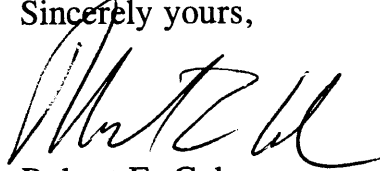
3. Names of airlines/territories/regions – This category includes specific names of airlines, lists of grandfathered carriers, descriptors of carriers by country location, or lists of countries/regions. The clauses in which such airline names are redacted involve provisions relating to exclusion or inclusion of carriers with whom a party might be required to terminate or be allowed to continue a relationship upon the occurrence of certain events, or an airline with which a party would or would not be allowed to enter into an alliance, a list of carriers that are considered potential bilateral or future members of the SkyTeam Alliance, or a region of the world where a party has certain rights or obligations. For example, see document DL ATI801 000185 which sets forth a list of "grandfathered carriers" with whom a particular member of the alliance would be permitted to maintain and in some circumstances expand existing relationships.

The Department's longstanding policy is to allow the redaction of such information. All of the redacted information (including the lists of third party airlines) is not relevant to the Department's competitive analysis in connection with the antitrust immunity application. The information is highly confidential and proprietary which is not shared with third parties. Indeed, in some cases the redacted information reflects bilateral negotiations between Delta and one member of the alliance which would not be shared with other members of the alliance.

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The foregoing categories fully describe each of the limited redactions contained in the alliance agreements. If you or your staff have additional questions, please do not hesitate to call me.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'R. E. Cohn', written over the typed name.

Robert E. Cohn
Counsel for Delta Air Lines, Inc.

cc: John Varley
James Coblin
Michael Goldman
Richard Mathias
Allan I. Mendelsohn
William Bertram